

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00 CIAE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SS-15 AID-20 PC-04 OPR-02 NIC-01 COME-00 EB-11

LAB-06 SIL-01 RSR-01 /120 W
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O R 082301Z AUG 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 5140

INFO DOD/DIA

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 SANTIAGO 3533

USCINCSO FOR POLAD

EO 11652: GDS

TAGS: CI PINT PINS MILI

SUBJ: POLITICAL TENSIONS GROW

REF: SANTIAGO 3507

1. SUMMARY: PRESENT TENSE SITUATION MARKED BY RUMORS OF CABINET CHANGES, PDC ANNOUNCEMENT OF END OF DIALOGUE, MILITARY RESTLESSNESS, RETIREMENTS AND A MIR NAVAL PLOT, GATHERING STRENGTH OF GUILD STRIKE, SEVERAL TERRORIST INCIDENTS, CONTINUED ATTENTION TO ARAYA CASE, AND UP PREPARATIONS FOR NATIONWIDE CUT RALLIES TOMORROW. END SUMMARY.

2. CABINET: OPPOSITION PRESS HEADLINED RUMORS OF IMMINENT CABINET CHANGE IN WHICH, ACCORDING TO CONSERVATIVE INDEPENDENT EL MERCURIO, ARMED FORCES WOULD ASSUME SIX MINISTRIES PLUS NUMEROUS SECONDARY POSTS. REMAINDER OF CABINET WOULD CONSIST OF "PERSONALITIES," SUCH AS FELIPE HERRERA AND HERNAN SANTA CRUZ. RUMORS GREW OUT OF PRESIDENTIAL MEETING WITH COMMANDER-IN-CHIEF AND THREE-HOUR UP MEETING EVENING
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AUG 7. EL MERCURIO SPECULATED SUCH A DECISION WOULD CAUSE

FORMAL SPLIT IN UP, WITH ALTAMIRANO SOCIALISTS, GARRETON MAPU, AND CHRISTIAN LEFT JOINING MIR IN OPPOSITION TO GOVT FROM THE LEFT. MORNING PRO-GOVT PRESS TOTALLY IGNORED SUBJECT; AFTERNOON ULTIMA HORA (PS) ADMITTED CABINET REORGANIZATION IS LIKELY IN NEXT FEW DAYS AND MAY INCLUDE "AT LEAST" THREE MILITARY REPS. ULTIMA HORA DENIED MILITARY WOULD TAKE SECOND-LEVEL POSTS AS WELL.

3. DIALOGUE: AFTER AUG 7 MEETING OF PDC NATIONAL COUNCIL, SPOKESMAN DEPUTY HUMBERTO PALZA ANNOUNCED FORMALLY THAT GOVT-PDC DIALOGUE HAS ENDED AS FAR AS PDC IS CONCERNED UNTIL ALLENDE INSTALLS MILITARY CABINET. "THERE WILL BE NO MORE VISITS TO LA MONEDA OR ANY NEW EXCHANGE OF LETTERS."

4. MILITARY: NAVY OFFICIALLY ANNOUNCED IT HAD BROKEN LEFTWING EXTREMIST (I.E. MIR) CONSPIRACY ABOARD TWO SHIPS WHICH WERE TO HAVE TAKEN PLACE LAST WEEKEND (USDAO DATT 506 DTG 071617Z AUG 73, DATT 509 DTG 081358Z AUG 73 AND DATT 512 DTG 081915Z AUG 73). NAVY STATEMENT DENOUNCED "PERNICIOUS PROPAGANDA" OF EXTREMIST GROUPS CALLIN ON TROOPS TO DISOBEY OFFICERS. SHIPS IDENTIFIED AS CRUISER LATORRE AND DESTROYER BLANCO ENCALADA. NAVY CONTINUED TO MAINTAIN TIGHT CONTROL IN VALPARAISO AREA.

5. GOVT OFFICIALLY ANNOUNCED TWO SENIOR AIR FORCE GENERALS, GERMAN STUARDO AND AUGUSTIN RODRIGUEZ, RESPECTIVELY THIRD AND FIFTH IN FACH SENIORITY, HAD BEEN RETIRED BY PRESIDENTIAL ORDER DATED AUG 6. FACH OFFICIALS WENT TO SOME PAINS TO REFUSE COMMENT. RUMORS HAVE BEEN FLYING FOR SOME DAYS ABOUT IMPENDING FORCED RETIREMENT OF THESE OFFICERS (USDAO 510 DTG 081446Z AUG 73).

6. IN PUNT ARENAS AFFAIR (REFTEL), LOCAL NAVY AND AIR FORCE COMMANDERS ISSUED STATEMENTS BACKING ARMY GEN MANUEL TORRES AGAINST ATTACKS FROM PS AND MIR. LOCAL AIR FORCE COMMANDER'S DECLARATION SHARPLY DENIED FACH HAD CAUSED DAMAGE TO LANERA AUSTRAL FACTORY DURING ITS ARMS SEARCH IN WHICH WORKER WAS KILLED. TORRES ANNOUNCED HE WOULD FILE LIBEL CHARGES AGAINST HIS VARIOUS DETRACTORS AND ARRIVED IN SANTIAGO TO REPORT PERSONALLY TO ARMY CINC PRATS ON PUNTA ARENAS
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DEVELOPMENTS. PRATS, MEANWHILE, ISSUED STATEMENT BACKING TORRES AND OTHER ARMY OFFICERS DENOUNCED BY PS AND IR, SAID CHARGES WOULD BE FILED AGAINST PS DEPUTY MARIO PALESTRO FOR HIS "OFFENSIVE ATTACKS" ON ARMY PERSONNEL, AND AGAINST MIRE UNDER INTERNAL SECURITY LAW. AIR FROCE CINC GEN CESAR RUIZ ISSUED STATEMENT SECONDING PRATS AND STRONGLY DEFENDING GEN NICANOR DIAZ, HEAD OF ARAYA INVESTIGATING COMMISSION AND ONE OF THOSE DENOUNCED IN PS/MIR PRONOUNCEMENTS. CUT ONE-

DAY STRIKE IN PUNTA ARENAS WAS REPORTEDLY ONLY PARTIALLY EFFECTIVE.

7. LOCAL ARMY UNIT IN TALCA STAGED ARMS RAID ON LOCAL CCU BREWERY, TRIGGERING LOUD PROTEST FROM CUT AND RENEWED DEMANDS FROM UP ELEMENTS FOR MODIFICATION OF ARMS CONTROL LAW. IN HIS STATEMENT (ABOVE), PRATS ACKNOWLEDGED CUT HAD MADE REPRESENTATIONS TO HIM AND THAT HE HAD ISSUED ORDERS TO LOCAL ARMY COMMANDERS FOR "STRICTEST ADHERENCE TO LEGAL NORMS" IN CONDUCTING ARMS SEARCHES. GARRETON MAPU REGIONAL COMMITTEE IN VALPARAISO ISSUED STATEMENT ALONG LINES OF PS AND MIR DECLARATIONS DENOUNCING "FASCIST" ELEMENTS IN ARMED FORCES. NAVY, MEANWHILE, REPORTEDLY FOUND SOME 20 AUTOMATIC RIFLES OF ALLEGED US MANUFACTURE STASHED IN HOME OF FRIEND OF TRUCKERS' LEADER LEON VILARIN NEAR VALPARAISO.

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FM AMEMBASSY SANTIAGO

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INFO DOD/DIA

USCINCSO

C O N F I D E N T I A L SECTION 2 OF 2 SANTIAGO 3533

8. STRIKE: TRUCKERS/BUS STRIKE APPARENTLY STARTING TO GATHER MORE STEAM. SANTIAGO DOCTORS DECLARED ONE-DAY EXTENDABLE STRIKE STARTING TOMORROW OVER LONG LIST OF GRIEVANCES. ENGINEERS AND AGRONOMISTS WILL GO OUT HALF DAY TOMORROW, AS WILL SHOPS AND BUSINESS ENTERPRISES. MERCHANTS IN FIVE CENTRAL PROVINCES (TALCA, MAULE, COLCHAGUA, O'HIGGINS AND CURICO) CLOSED DOORS

AUG 6 DEMANDING GOVT RESPECT REGULAR (I.E. PRIVATE) DISTRIBUTION CHANNELS AND RETURN OCCUPIED INDUSTRIES. MOST IMPORTANT GUILDS PUBLISHED AD IN TODAY'S OPPOSITION PRESS DENOUNCING GOVT ACTIONS AND CALLING FOR "IMMEDIATE RECTIFICATION" OF GOVT POLICY. PDC DEPUTIES ISSUED STATEMENT GENERALLY BACKING STRIKERS DEMANDS AND BLAMING RECENT TERRORISM ON GOVT'S TOLERANCE FOR ARMED EXTREMIST GROUPS. TRANSPORT (AND TAXI) LEADER JUAN JARA ARRESTED AND RE-LEASED ON BAIL ON CHARGES UNDER INTERNAL SECURITY LAW. MININTERIOR BRIONES ANNOUNCED ARREST ORDERS ALSO OUT FOR VILARIN AND OTHER STRIKE LEADERS, ADDING THAT GOVT WILL TAKE FULL MEASURES TO BREAK STRIKE. TRUCKERS AND MERCHANTS GROUPS DENOUNCED JARA ARREST AS PART OF "GOVT'S INTIMIDATION CAMPAIGN." GOVT CONTINUED TO REQUISITION NON-OPERATING BUSES, SOME 100 IN SANTIAGO AND LESSER NUMBERS IN CONCEPCION AND ANTOFAGASTA, IN SPITE OF CONTROLLER GENERAL'S PUBLIC REITERATION THAT OPEN-ENDED REQUISITION ORDERS ARE ILLEGAL. MINPUBLIC WORKS MARTONES STATED FLATLY REQUISITIONS CONFIDENTIAL

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WILL CONTINUE. BUS SERVICE IN SANTIAGO, AGGRAVATED BY GASOLINE SHORTAGE, CONTINUES DEFICIENT ALTHOUGH FAIR NUMBER OF PRIVATE BUSES STILL OPERATING.

9. EL TENIENTE EMPLEADOS WENT BACK TO WORK TODAY AFTER ONE-DAY SITDOWN STRIKE (SANTIAGO 3516).

10. TERRORISM: TERRORIST INCIDENTS, GENERALLY LINKED TO STRIKE, APPEAR TO BE INCREASING. MOST SPECTACULAR WAS EXPLOSION EARLY MORNING AUG 7 ON IMPORTANT TALCAHUANO/MAIPU PETROLEUM PIPELINE NEAR CURICO, WHICH CAUSED MAJOR FIRE IN WHICH ONE PERSON DIED AND SOME DOZEN LOCAL RESIDENTS WERE SEVERELY BURNED. ENAP ESTIMATES TWO DAYS TO REPAIR DAMAGE. LESS IMPORTANT BLAST AT ROUGHLY SAME TIME DAMAGED CONCON/MAIPU PIPELINE FOR SECOND TIME. OTHER MORE NOTABLE INCIDENTS WERE DYNAMITING OF ELECTRIC TRANSMISSION TOWER IN NUBLE, BOMB IN RANCAGUA HOME OF COMMUNIST DEPUTY VLADIMIR CHAVEZ, A FIREBOMB IN UNIV OF THE SOUTH IN VALDIVIA, AND ARMY DISCOVERY OF 40 STICKS OF DYNAMITE AT STRATEGIC RAILROAD TUNNEL IN VALPARAISO AREA.

11. ARAYA CASE: ADDITIONAL SUSPECT - MIGUEL SEPULVEDA CAMPOS- OF RIGHTWING GROUP NAMED SATURDAY BY INVESTIGATIONS DEPT DIRECTOR JOIGNANT SURRENDERED TO NAVAL PROSECUTOR AND IS BEING QUESTIONED. PRO-GOVT PRESS IS LINKING AT LEAST SOME MEMBERS OF THIS GROUP TO SCHNEIDER ASSASSINATION IN OCTOBER 1970. IN WAKE OF MILITARY REPUDIATION OF JOIGNANT'S STATEMENTS (SANTIAGO 3493), PDC DEP. CLAUDIO ORREGO DEMANDED INVESTIGATIONS DEPT BE PUT UNDER MILITARY CONTROL.

12. CUT DEMONSTRATION: PRO-GOVT PRESS DEVOTING HEAPS OF PUBLICITY TO TOMORROW'S SCHEDULED CUT RALLIES. OPPOSITION RESPONSE HAS BEEN ALSO TO DECLARE WORK STOPPAGE, (INCLUDING MER-

CHANTS, SEE 8 ABOVE) SO UP DEMONSTRATORS WILL FIND "A SILENT CITY." THIS TACTIC PREVIOUSLY USED WITH MIXED SUCCESS FOR JUNE 21 CUT RALLY AND OTHER OCCASIONS.

13. COMMENT. FEELING IS WIDESPREAD THAT TENSION IS GROWING IN THIS ALREADY HIGHLY AGITATED POLITICAL-MILITARY CRISIS.

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